

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 PPT-01 L-03 EB-08 TRSE-00 COME-00

SCS-06 CA-01 SP-02 /032 W

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FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 9012

INFO AMEMBASSY OSLO

LIMITED OFFICIAL USE SECTION 1 OF 2 ADDIS ABABA 3076

E.O. 11652: N/A

TAGS: EINV

SUBJECT: MOSVOLD CLAIM IN ETHIOPIA

REF: (A) 77 OSLO 0961, (B) 77 STATE A-595, (C) 77 ADDIS ABABA

1200 AND PREVIOUS

1. EMBASSY'S RECORDS FAIL TO REVEAL THAT DEPARTMENT REACHED A DEFINITIVE DECISION ON TORREY MOSVOLD'S AMERICAN CITIZENSHIP IN THE LIGHT OF THE INFORMATION FURNISHED BY AMEMBASSY OSLO IN REPLY TO DEPARTMENT'S AIRGRAM TRANSMITTING A TREASURY DEPARTMENT MEMORANDUM ON CERTAIN LEGAL ASPECTS OF THE CLAIM. IT IS THIS EMBASSY'S UNDERSTANDING THAT THE DEPARTMENT OF STATE IS THE FINAL AUTHORITY IN THE EXECUTIVE BRANCH, SUBJECT TO REVIEW BY THE COURTS UP TO AND INCLUDING THE SUPREME COURT, ON CITIZENSHIP STATUS. WHILE TREASURY'S MEMORANDUM IS MOST HELPFUL IN POINTING OUT THE ISSUES, THEY WERE NOT ENTIRELY RESOLVED AND THE MEMORANDUM CITES VARIOUS DOCUMENTS WHICH NEED TO BE OBTAINED ON CRITICAL POINTS. PERHAPS TREASURY HAS SINCE OBTAINED THEM BUT IT WOULD APPEAR THAT CA, EB AND L SHOULD ALL NOW FOCUS ON THE ISSUES BEFORE THE TRAIL GETS TOO COLD.

2. THE ISSUES AS THE EMBASSY SEES THEM ARE:

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A) WAS MOSVOLD'S FATHER IN FACT A U.S. CITIZEN? (EVIDENCE NOT PRESENTED)

B) DID HE RESIDE IN THE U.S. FROM 1894 TO 1909?

C) THE NORWEGIAN GOVERNMENT (OSLO 0961) TOLD THE EMBASSY

THAT TORREY MOSVOLD ACQUIRED NORWEGIAN NATIONALITY IN 1911 WHEN HIS FATHER REACQUIRED NORWEGIAN NATIONALITY AND NEVER LOST IT IN NORWEGIAN EYES. TORREY MOSVOLD DID NOT TECHNICALLY COMPLY WITH SECTION 6 OF THE ACT OF MARCH 2, 1970 (ACCORDING TO THE TREASURY MEMORANDUM) BECAUSE HE DID NOT TAKE AN OATH OF ALLEGIANCE TO THE UNITED STATES AT AGE 18. HE DID COME TO THE U.S. AT AGE 19 ON HIS FATHER'S NATURALIZATION PAPERS, RETURNING TO NORWAY APPROXIMATELY TWO YEARS LATER. HE DID TAKE AN OATH OF ALLEGIANCE AT AGE 31, AND THEN RESIDED IN THE U.S. FOR SOME 13 YEARS. THERE IS NO EVIDENCE THAT HE RENOUNCED HIS NORWEGIAN NATIONALITY, AND THE NORWEGIAN GOVERNMENT APPARENTLY CONSIDERS HIM TO HAVE ALWAYS BEEN NORWEGIAN. HE RETURNED TO TAKE UP PERMANENT RESIDENCE IN NORWAY ON JANUARY 31, 1975, ALTHOUGH HE TRAVELED ON A U.S. PASSPORT UNTIL 1960, ACCORDING TO HIS OWN ACCOUNT. NEVERTHELESS, MOSVOLD INCLUDED HIS TWO YOUNGEST CHILDREN IN HIS PASSPORT IN 1962. MR. MOSVOLD TOLD THE EMBASSY AT OSLO IN 1966 OR 67 THAT HE HAD "BECOME A NORWEGIAN" ALTHOUGH NORWEGIAN AUTHORITIES APPARENTLY CONSIDERED HIM ONE SINCE 1911. IS TORREY MOSVOLD IN FACT AN AMERICAN TODAY OR AT THE TIME OF TAKING OF HIS PROPERTY IN ETHIOPIA? EMBASSY HAS COPY OF THE MINUTES OF THE EXTRAORDINARY GENERAL ASSEMBLY OF MOSVOLD (ETHIOPIA) ON JANUARY 2, 1976, WHICH SHOWS MEMBERS OF THE COMPANY AS TORREY MOSVOLD, OF NORWEGIAN NATIONALITY, GORDON MOSVOLD OF NORWEGIAN NATIONALITY, LIMITED OFFICIAL USE

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AND KARL GLASTAD OF AMERICAN NATIONALITY.

D) WHAT PROOF IS THERE THAT 250 OR 245 SHARES OF MOSVOLD (ETHIOPIA) WERE ISSUED TO GORDON MOSVOLD IN TRUST FOR HIS WIFE AND WHAT EVIDENCE IS THERE THAT MRS. G. MOSVOLD IS AN AMERICAN CITIZEN?

E) THE EMBASSY NOTES THE TEXT OF THE LETTER FROM THE PMGSE TO TORREY MOSVOLD DATED 2-9-E.C. WHICH DRAWS MOSVOLD'S ATTENTION TO THE PMGSE'S DECISION OF AUGUST 17, 1976 (WHICH THE EMBASSY DOES NOT HAVE). THE ETHIOPIAN GOVERNMENT ACCUSATIONS AGAINST MOSVOLD ARE, HOWEVER, CONTAINED IN 76 ADDIS ABABA 9719, INCLUDING A CHARGE OF ETHIOPIAN TAX ARREARS OF E\$4.8 MILLION AND UNPAID TAXES ON E\$1 MILLION IN COMMISSIONS. THE 2-9-E.C. ETHIOPIAN GOVERNMENT LETTER CONTINUES: "ACCORDING TO THE DECISION THE MOSVOLD COMPANY HAS BEEN BROUGHT UNDER GOVERNMENT CONTROL WITHOUT COMPENSATION FOR VARIOUS CRIMINAL ACTS COMMITTED AGAINST THE PEOPLE AND THE GOVERNMENT OF ETHIOPIA. WE REGRET TO INFORM YOU THAT

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THE COMPENSATION COMMISSION IS UNABLE TO ENTERTAIN YOUR CLAIMS FOR COMPENSATION." MOSVOLD DID ADMIT TO THE U.S. TREASURY DEPARTMENT (PAGE 3 OF THE MEMORANDUM) THAT HE OPENED AN ACCOUNT IN LONDON IN THE NAME OF MOSVOLD (ETHIOPIA) IN WHICH HE DEPOSITED SOME \$26,000 IN VIOLATION OF ETHIOPIAN EXCHANGE REGULATIONS. WE ALSO KNOW FROM NORWEGIAN FIRST SECRETARY NAIROBI (76 NAIROBI 8861) THAT MOSVOLD (ETHIOPIA'S) NEXT TO LAST GENERAL MANAGER LEFT THE COUNTRY ILLEGALLY, MAY HAVE DESTROYED DOCUMENTS AND OPENED A FOREIGN BANK ACCOUNT WITHOUT PERMISSION. THE TREASURY MEMORANDUM SPECULATES THAT THE OPENING OF THE ACCOUNT MAY HAVE BEEN "A LEGITIMATE 'DEFENSIVE' ACTION LIKE THOSE WE HAVE SEEN IN GULF, MARCONA, ETC." WHAT IS THE DEPARTMENT'S VIEW ON THIS SPECULATION? THE FACTS CONCERNING GULF AND MARCONA MAY WELL NOT BE COMPARABLE AND IT PROBABLY WILL BE IMPOSSIBLE TO GET THE ETHIOPIAN GOVERNMENT TO CHANGE ITS MIND ABOUT CRIMINAL ACTS. ETHIOPIAN OFFICIALS HAVE REPEATEDLY ASSERTED THAT THE FOREIGN CLAIMANTS ENGAGED IN ALL KINDS OF HANKY PANKY AND FAILED TO PAY TAXES, AND THE EXAMINATION OF THE AMERICAN CLAIMS SO FAR INDICATE THAT THERE ARE COUNTER-CLAIMS, OFFSETS OR DISALLOWANCES WHICH ALMOST ANY REASONABLE MAN WOULD MAKE IN THE AMERICAN CLAIMS ACTUALLY FILED AND ON WHICH WE HAVE SUFFICIENT DATA.

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F) THE AMERICAN OWNERSHIP INTEREST IN NORTHERN SHIPPING HAS YET TO BE DOCUMENTED. N.B. TORREY MOSVOLD

TOLD EMBASSY OSLO IN SEPTEMBER 1976 THAT OWNERSHIP OF FEDERAL MOTORSHIP WAS ABOUT 50 PERCENT NORWEGIAN 50 PERCENT U.S. AND THAT MAJORITY SHARE OF NORTHERN SHIPPING WAS HELD BY MR. KRISTIAN HAANES, NORWEGIAN (OSLO 4478). THE DEPARTMENT WILL NOTE THAT THIS IS AT CONSIDERABLE VARIANCE FROM WHAT MOSVOLD AND HIS ASSOCIATE TOLD THE TREASURY ON JANUARY 27, 1977, AS REPORTED 77 STATE A-595: THAT ESTHER HAANES AND KARL GLASTAD, AMERICAN CITIZENS, OWNED 205 OF THE 300 SHARES OF NORTHERN SHIPPING AND KRISTIAN HAANES IS LISTED AS OWNING JUST FIVE SHARES* (COMMENT: WHAT A SUDDEN CHANGE, BUT AFTER NATIONALIZATION OF MOSVOLD (ETHIOPIA). THE TRANSFER IS SUSPECT IN VIEW OF THE INACTIVITY OF THE NORWEGIAN GOVERNMENT IN PURSUING THE MOSVOLD CLAIM IN ETHIOPIA AND THE APPARENT HOPE THAT THE U.S. WOULD BE MORE FORECEFUL. END COMMENT.) SEE ALSO PARAS 9 AND 10 OF 76 ADDIS ABABA 10051 WHICH INDICATES MOSVOLD WAS NOT UNUSED TO SWITCHING CORPORATE OWNERSHIP RAPIDLY AMONG NORWEGIANS AND AMERICANS. MOSVOLD HAD PREVIOUSLY TOLD EMBASSY OSLO ON AUGUST 22, 1976, THAT FEDERAL MOTORSHIP AND NORTHERN SHIPPING WERE AMERICAN COMPANIES (76 OSLO 4106). STILL ANOTHER VERSION OF THE OWNERSHIP OF MOSVOLD ETHIOPIA IS CONTAINED IN THE MINUTES OF THE GENERAL ASSEMBLY OF THE COMPANY IN NORWAY ON JANUARY 2, 1976 (SEE PARA C ABOVE), ALTHOUGH THE LEGAL DISTINCTION BETWEEN THE THREE MEMBERS, WHO RUN EVERYTHING, AND THE VARIOUS SHAREHOLDERS LISTED IN ARTICLE 7 OF A MEMORANDUM OF ASSOCIATION OF THE MOSVOLD COMPANY (ETHIOPIA) LIMITED IS NOT CLEAR.

3. DEPARTMENT WILL RECALL THAT AF/E RECENTLY RECEIVED LETTER FROM MOSVOLD REPRESENTATIVE ASKING WHETHER EMBASSY LIMITED OFFICIAL USE

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ADDIS COULD APPROACH PMGSE WITH A REQUEST TO SEPARATE FROM THE MOSVOLD (ETHIOPIA) CLAIM THE PRIVATE BANK ACCOUNT OF TORREY MOSVOLD WITH THE HOUSING AND SAVINGS BANK IN ADDIS IN THE AMOUNT OF E\$939,543.91 WHICH MOSVOLD INCLUDED AS POINT 7 OF HIS PRELIMINARY COMPENSATION CLAIM DATED DECEMBER 8, 1976, BUT ACTUALLY NOT FILED AT THE COMPENSATION COMMISSION UNTIL MAY 5, 1977. WE ARE NOT DISPOSED TO DO SO IN VIEW OF THE STATEMENT OF ROLF BAGLE, THE LAST MANAGER OF MOSVOLD, REPORTED IN PARA 3 OF 76 STATE 282976 THAT THE ACCOUNT IS COMPOSED OF MOSVOLD COMPANY (ETHIOPIA) LTD DIVIDENTS DISTRIBUTED PRIOR TO CONFISCATION WHICH COULD NOT BE REMITTED TO SHAREHOLDERS BECAUSE OF FOREIGN EXCHANGE RESTRICTIONS. THE "PRIVATE" BANK ACCOUNT WOULD APPEAR TO BE AN INTEGRAL PART OF THE MOSVOLD (ETHIOPIA) CLAIM.

4. EVEN IF THE U.S. SHOULD EVENTUALLY BE ABLE SOLVE SOME OF THE CLAIMS CASES WITH ETHIOPIA, WE MIGHT BE LEFT WITH

THE MOSVOLD CASE IN WHICH THE ETHIOPIAN GOVERNMENT
INFLEXIBLY MAINTAINS THAT MOSVOLD COMMITTED AN ILLEGAL
ACT OR ACTS AND WE HAVE HIS OWN ADMISSION THAT HE DID.
DO WE VOTE NO ON IFLI LOANS, INVOKE HICKENLOOPER, END
OUR AID PROGRAM AND TAKE ETHIOPIA OFF THE GSP LIST FOR
LACK OF PROGRESS ON SUCH A CLAIM?
CHAPIN

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